

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY)
CORPORATION FOR AN ADJUSTMENT) CASE NO. 2006-00464
OF GAS RATES)

FIRST DATA REQUEST OF COMMISSION STAFF
TO ATMOS ENERGY CORPORATION

Atmos Energy Corporation (“Atmos”), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before either 14 days after the initial submission of the rate application or 28 days after the date of this Data Request, whichever is later. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Provide a copy of the current bylaws. Indicate any changes made to the bylaws since the year utilized as the test year in Atmos's last rate case.

2. Provide the current organizational chart, showing the relationship between Atmos and any affiliated companies. Include the relative positions of all entities and affiliates with which Atmos routinely has business transactions.

3. Provide a complete copy of the workpapers, calculations, and assumptions Atmos used to develop its Kentucky gas operation's forecasted test-period financial information.

4. Provide a complete copy of all of Atmos's internal accounting manuals, directives, and policies and procedures.

5. Provide a complete copy of all of Atmos's budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures.

6. Provide a comparison of Atmos's gas monthly operating budgets to the actual results, by account, for 2004, 2005, and 2006. Explain in detail any yearly account variance greater than 5 percent. In the response include comparisons for the following major expenses:

- a. Total Purchased Gas.
- b. Distribution – Mains and Services Expense.
- c. Distribution – Maintenance of Mains.
- d. Customer Accounts Expense.
- e. Administrative and General Salaries.

f. Office Supplies and Expenses.

g. Rents.

7. Provide the same information requested in Item 6 for 2007 as it becomes available.

8. Provide a reconciliation and detailed explanation of each difference, if any, in the Kentucky gas capitalization and the Kentucky gas net investment rate base of Atmos for the base period.

9. Provide separately a rate base, capital structure, and statement of income for Atmos's total company and for its Kentucky gas operations for the most recent actual 12-month period at the time of the company's application for rate adjustment and for the base period used in the company's application. Provide detailed explanations necessary to reconcile this data with the filed base period revenue requirement information.

10. Describe the procedures that Atmos uses to plan and approve construction projects for its gas operations.

11. Provide Atmos's long-term construction planning program for its gas operations.

12. Concerning Atmos's construction projects:

a. For each Kentucky gas construction project begun during the last 10 calendar years, provide the information requested in the format contained in Schedule 1a. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

b. Using the data included in Schedule 1a, calculate the annual “Slippage Factor” associated with Atmos’s Kentucky gas construction projects. The Slippage Factor should be calculated using the format contained in Schedule 1b.

c. In determining the capital additions to be reflected in the base period and forecasted test period for operations, did Atmos recognize a Slippage Factor in the calculations? Explain the response.

13. Provide, in the format provided as Schedule 2, an analysis of the Kentucky gas Construction Work in Progress (“CWIP”) as defined in the Uniform System of Accounts for the 12 months preceding the base period, the base period, and the forecasted test period.

14. Provide the information requested in Schedule 3 for each construction project in progress listed on Schedule 2.

15. Provide the information requested in Schedule 4 for budgeted and actual regular wages, overtime wages, and total wages for Kentucky gas operations by employee group, by month, for the most recent two years available. Explain in detail any variance exceeding 5 percent in any one month. Update as further information becomes available.

16. Provide a complete copy of all wage, compensation, and employee benefits studies, analyses, or surveys conducted within the past 5 years or currently utilized by Atmos.

17. For each Kentucky gas operation employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately,

for merit increases granted for the years 2004, 2005, the base period, and the forecasted test period.

18. Provide complete details of all early retirement plans or other staff reduction programs Atmos has offered or intends to offer its gas employees during either the base period or the forecasted test period. Include all cost-benefit analyses associated with these programs.

19. Concerning employee fringe benefits:

a. Provide a detailed list of all fringe benefits available to Atmos's Kentucky gas employees and the expected cost of each benefit in the base period and the forecasted test period. Indicate which fringe benefits, if any, are limited to management employees.

b. Provide comparative cost information for the 2 years preceding the base period and the base period. Explain any changes in fringe benefits occurring over this period.

20. List separately the budgeted and actual numbers of the Kentucky gas operation's full- and part-time employees by employee group, by month and by year, for the 5 years immediately preceding the base period, the base period, and the forecasted test period.

21. Provide complete details of Atmos's Other Post-retirement Employee Benefits package(s) provided to Kentucky gas employees.

22. Provide all current labor contracts and the most recent contracts previously in effect for Kentucky gas operations.

23. Provide a complete copy of each group medical insurance policy that Atmos currently maintains for its Kentucky gas employees.

24. Provide, in the format provided as Schedule 5, an analysis of the gross additions, retirements, and transfers for each major functional plant property group or account for Atmos occurring in the forecasted test period. Provide this information for both Kentucky gas operations and total company operations. For any account in which transfers regularly occur in the normal course of business, also include a general description of the nature of the transfers.

25. List all properties leased to the utility and improvements to leased properties, together with annual lease payments which are capitalized, in the format provided in Schedule 6. Provide this information for both Kentucky gas operations and total company operations.

26. List all property held for future use included in rate base in the format provided in Schedule 7. In addition, for each property listed, provide its expected in-service date and its expected use. Provide this information for both Kentucky gas operations and total company operations.

27. Provide the information requested in Schedule 8 regarding Certain Deferred Credits, Accumulated Deferred Income Taxes, and Other Rate Base items included in the forecasted test-period rate base. Provide this information for both Kentucky gas operations and total company operations.

28. Provide the following monthly account balances and a calculation of the average (13 month) account balances for both the total company and the Kentucky gas operations (original cost):

- a. Plant in Service.
- b. Plant Purchased or Sold.
- c. Property Held for Future Use.
- d. CWIP. (Separate this balance into CWIP eligible for capitalized interest and other CWIP.)
- e. Completed Construction Not Classified.
- f. Accumulated Depreciation and Amortization.
- g. Plant Acquisition Adjustment.
- h. Amortization of Utility Plant Acquisition Adjustment.
- i. Materials and Supplies.
- j. Balance in Accounts Payable Applicable to each account in (i) above. (If actual cannot be determined, give reasonable estimate.)
- k. Unamortized Investment Tax Credit - Pre-Revenue Act of 1971.
- l. Unamortized Investment Tax Credit - Revenue Act of 1971.
- m. Accumulated Deferred Income Taxes.
- n. A Summary of Customer Deposits.
- o. Computation and Development of Minimum Cash Requirements.
- p. Balance in accounts payable applicable to amounts included in utility plant in service. (If actual cannot be determined, give reasonable estimate.)
- q. Balance in accounts payable applicable to prepayments by major category or subaccount.
- r. Balance in accounts payable applicable to amounts included in plant under construction. (If actual cannot be determined, give reasonable estimate.)

s. All Current Assets and Current Liability Accounts not included above.

29. Provide a calculation of federal and state income tax expense for Kentucky gas operations, including a reconciliation of book to taxable income for the base period and the forecasted period in the format provided in Schedule 9. Indicate whether the calculation reflects the income tax expense from a stand-alone or consolidated company basis.

30. Provide a trial balance as of the last day of the base period showing account number, account title, and actual base period accounts. All income statement accounts should show activity for 12 months. Provide this information for both the Kentucky gas operations and total company operations.

31. For each of the Statement of Financial Accounting Standards ("SFAS") identified below, provide the information listed concerning implementation for Atmos's gas operations.

a. SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

b. SFAS No. 109, "Accounting for Income Taxes."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

c. SFAS No. 112, "Employers' Accounting for Postretirement Benefits."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

d. SFAS No. 143, "Accounting for Asset Retirement Obligations."

(1) The date that Atmos adopted the SFAS.

(2) The effect on the financial statements.

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide detailed information regarding the impact.

(4) A schedule comparing the depreciation rates utilized by Atmos prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

32. Provide copies of all service agreements and contracts that Atmos has with any affiliate company or entity. Include a narrative discussion of the pricing policies of Atmos and its affiliates with regard to affiliate company transactions.

33. Concerning transactions between Atmos's Kentucky gas operations and any affiliated companies or entities:

a. Provide a comprehensive list and detailed description of any goods or services that have been provided to Atmos by any affiliated company or entity or are expected to be provided during the forecasted test period.

b. Describe the benefits that Atmos derives from having affiliates or other entities provide the goods or services identified in part (a).

c. Provide a comprehensive list and detailed description of any goods or services that Atmos has provided to any affiliated companies or entities or are expected to be provided during the forecasted test period.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED November 21, 2006

cc: All Parties

Atmos Energy Corporation
Case No. 2006-00464
Construction Projects

As of _____

Data: _____ Base Period _____ Forecasted Period _____
 Type of Filing: _____ Original _____ Updated _____ Revised _____
 Workpaper Reference No(s): _____

Sc
Pa
Wi

Project No.	Project Budget Title/Description Start	Annual Original Actual Budget Cost End	Annual Original Actual Budget Start	Variance Date In Actual Dollars End	Variance Date As Percent Percent	Percent Of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance In Dollars
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Atmos Energy Corporation
Case No. 2006-00464
Calculation of Capital Construction Project Slippage Factor

Source: Schedule 1a – Construction Projects

Years	Annual Actual Cost	Annual Original Budget	Variance in Dollars	Variance as Percent	Slippage Factor
2005					
2004					
2003					
2002					
2001					
2000					
1999					
1998					
1997					
1996					
Totals					
10 Year Average Slippage Factor (Mathematic Average of the Yearly Slippage Factors / 10 years)					

The Annual Actual Cost, Annual Original Budget, Variance in Dollars, and Variance as Percent are to be taken from Schedule 1a. Total all projects for a given year.
The Slippage Factor is calculated by dividing the Annual Actual Cost by the Annual Original Budget. Calculate a Slippage Factor for each year and the Totals line. Carry Slippage Factor percentages to 3 decimal places.

Atmos Energy Corporation
Case No. 2006-00464
Construction Projects
As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

Sc
Pa
Wi

			Accumulated Costs			
Line No. (A)	Project No. (B) (G=D+E+F)	Description of Project (C) (H)	Construction Amount (D)	AFUDC Capitalized (E)	Indirect Costs Other (F)*	Total Cost
			\$	\$	\$	\$

TOTAL

*Explain the nature of all other indirect costs in footnotes.

Atmos Energy Corporation
Case No. 2006-00464
Construction Work in Progress – Percent Complete*
As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

Sc
Pa
Wi

Line No.	Project Total Project No. (B)	Date Construction Total Work Began Expenditures (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	(H)
(A)							
					\$	\$	\$

*Should be based on expenditures including AFUDC.

Atmos Energy Corporation
Case No. 2006-00464
Monthly Payroll Variance Analysis
As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

<u>Employee</u>		<u>Monthly Budget</u>			<u>Monthly Actual</u>			
<u>Variance</u>	<u>Percent</u>							
Date	Group	Reg.	OT	Total	Reg.	OT	Total	Reg.

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Pa
Wi

OT

Atmos Energy Corporation
Case No. 2006-00464
Gross Additions, Retirements, and Transfers
As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

Sc
Pa
Wi

Transfers/Reclassifications

Line No.	Account No.	Account Title	Beginning Balance	Additions	Retirements	Amount	Explanation of Transfers
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Atmos Energy Corporation
Case No. 2006-00464
Leased Property

As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

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Identification Value or Reference Number	Explain Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar Property Involved*
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*If not available, an estimate should be furnished.

Atmos Energy Corporation
Case No. 2006-00464
Property Held for Future Use Included in Rate Base
As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

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Description					Net	Revenue Realized		
<u>Expenses Incurred</u>								
Line No.	and Location of Property Amount	Acquisition Date No.	Original Cost Description	Accumulated Depreciation	Original Cost	Amount	Account No.	Description

Atmos Energy Corporation
Case No. 2006-00464
Certain Deferred Credits and Accumulated Deferred Income Taxes
As of _____

Data: _____ Base Period _____ Forecasted Period _____
Type of Filing: _____ Original _____ Updated _____ Revised _____
Workpaper Reference No(s): _____

Line No.	Account No.	Description
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Customers' Advances for Construction

Contributions in Aid of Construction

Investment Tax Credits:

Pre-1971 – 3% Credit

1971 4% Credit

1975 6% Additional Credit

1981 10% Credit on Recovery Property

ITC Tax Benefits Sold

Deferred Income Taxes:

Accelerated Amortization

Liberalized Depreciation

ACRS Tax Benefits Sold

Other (Specify and list separately)

Other (Specify and list separately)

Also provide the ITC option elected in 1971 and 1975 under Section 46(f) of the 1954 Internal Revenue Code.

Atmos Energy Corporation
Case No. 2006-00464
Adjusted Jurisdictional Federal and _____ State Income Taxes*
For the 12 Months Ended _____

Data: _____ Base Period _____ Forecasted Period
Type of Filing: _____ Original _____ Updated _____ Revised
Workpaper Reference No(s): _____

Sc
Pa
Wi

At Proposed Rates _____		At Current Rates Schedule 49			
Line	Adjustments Description	Unadjusted Adjusted (1)	Adjustments (2)	Adjusted (3)	(4)
1	Operating Income Before Income Taxes	\$	\$	\$	\$
2	Reconciling Items:				
3	Interest Charges				
4	Tax Accelerated Depreciation				
5	Book Depreciation				
6	Excess of Tax Over Book Depreciation				
7	Other Reconciling Items (Specify and List)				
8	Total Reconciling Items				
9	Taxable Income				
10	Income Tax Rates:				
11	\$ _____ @ _____ %				
12	\$ _____ @ _____ %				
13	\$ _____ @ _____ %				
14	\$ _____ @ _____ %				
15	Over \$ _____ @ _____ %				
16	Federal (State) Income Tax Liability				

*Separate Schedules should be completed for the Federal and State calculations.

Atmos Energy Corporation
Case No. 2006-00464
Adjusted Jurisdictional Federal and _____ State Income Taxes*
For the 12 Months Ended _____

Data: _____ Base Period _____ Forecasted Period
Type of Filing: _____ Original _____ Updated _____ Revised
Workpaper Reference No(s): _____

Sc
Pa
Wi

At Proposed Rates _____		At Current Rates Schedule 49			
Line	Adjustments Description	Unadjusted Adjusted (1)	Adjustments (2)	Adjusted (3)	(4)
17	Investment Tax Credits	\$ _____	\$ _____	\$ _____	\$ _____
18	Federal (State) Income Taxes – Current	_____	_____	_____	_____
19	Deferred Income Taxes:				
20	Tax Accelerated Depreciation				
21	Tax Straight-Line Depreciation	_____	_____	_____	_____
22	Excess of Accelerated Over Straight-Line Depreciation				
23	Deferred Income Tax @ _____ %				
24	Amortization of Prior Years Deferred Income Taxes	_____	_____	_____	_____
25	Net Deferred Income Taxes Resulting from Depreciation				
26	Investment Tax Credit Deferred				
27	Amortization of Prior Year ITC	_____	_____	_____	_____

*Separate Schedules should be completed for the Federal and State calculations.

Atmos Energy Corporation
Case No. 2006-00464
Adjusted Jurisdictional Federal and _____ State Income Taxes*
For the 12 Months Ended _____

Data: _____ Base Period _____ Forecasted Period
Type of Filing: _____ Original _____ Updated _____ Revised
Workpaper Reference No(s): _____

Sc
Pa
Wi

<u>At Proposed Rates</u>		<u>At Current Rates</u> Schedule 49			
Line	Adjustments	Unadjusted	Adjustments	Adjusted	
No.	Description	Adjusted (1)	(2)	(3)	
		(4)			
28	Investment Tax Credit – Net	\$	\$	\$	\$
29	Other Tax Deferrals (Specify and List Separately)	_____	_____	_____	_____
30	Total Deferred Income Taxes	=====	=====	=====	=====
31	Total Federal (State) Income Taxes (18 + 30)	=====	=====	=====	=====

*Separate schedules should be completed for the Federal and State calculations.